

YOUR RETIREMENT

1ST ISSUE 2023 • A PUBLICATION OF THE ARIZONA STATE RETIREMENT SYSTEM



Director's Message

By Paul Matson, Executive Director



Like many organizations, the ASRS has a deliberate and stated vision. It is:

For the benefit of our members, the Arizona State Retirement System will be a leading state benefit plan administrator in the areas of:

- Core Member Services
- Investment Performance
- Funded Status
- Operational Effectiveness

This will be accomplished while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.

We want our retirees to have confidence in the ASRS as a reliable source for a stable retirement.

Speaking of reliability and stability, this year marks the 70th Anniversary

of the creation of the Arizona State Retirement System. In all that time, the ASRS has ensured monthly benefits have been paid without interruption each and every month.

While the state legislature authorized the creation of the ASRS in 1953, it wasn't until 1971 that the current



Defined Benefit Plan was set up and, over the following years, additional benefit programs.

I am pleased to report that our Core Member Services of our pension plan, long term disability plan, health benefit supplement, and retiree health insurance program are all solid and sustainable.

Our Investment Performance has, over the long term, produced returns

that keep these plans sustainable.

While the most recent one-year return was 1.1 percent, it was among the highest returns of any of our state public pension plan peers, the average of which was -7.4 percent for the cohort. Since the defined benefit plan inception, our average annual rate of return is 9.6 percent, well above our assumed earnings rate of 7 percent.

In terms of Funded Status (one measurement of a healthy plan), it's interesting to note that in 1975, the ASRS defined benefit plan had a funded ratio of 37.5 percent. Today, it stands at 72.7 percent and is on a path to being fully funded.

Likewise, the Long Term Disability Income Plan, authorized in 1995, had a funded ratio the following year of 17.6 percent. Today, it stands at 91.5 percent. The ASRS health benefit supplement has a funded status of 130.8 percent, among the highest of any state plan.

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Dental check-ups are an important part of maintaining your overall health. Plus, they are covered at 100% after you pay your \$5.00 office visit copay when you see a dentist in your network.¹ To stay on top of your oral and overall health, schedule a dental visit today.

Why are regular visits to the dentist so important?

- Check-ups help keep your teeth and gums healthy, and your smile bright.
- Check-ups also play a critical role in your overall health and wellness - including decreasing your likelihood of needing emergency or urgent medical care services and your chances of developing periodontal (gum) disease.

People who don't receive preventive care are 1.5 times as likely to develop periodontal (gum) disease, and they have 22% more ER/urgent care visits.²

Need to find a dentist? Log on to your personalized myCigna account or visit Cigna.com/ASRS to learn more about your dental plan.

1. Plans may vary, and not all preventive care services are covered. See your plan documents for a complete list of covered care services.
2. "Preventive Dental Treatment Associated with Lower Medical Utilization and Costs" National study of Cigna customers with dental and medical coverage, updated December 2020. Individual results may vary.

Director's Message, Continued

In terms of our operational effectiveness, the ASRS strives to provide a high level of services to our members within a cost-effective environment. A recent outside analysis shows we are doing just that.

An independent study that analyzed a variety of pension benefit administration data from like-sized public pension plans revealed the average cost per active and retired member for the ASRS is \$71, well below the peer average of \$107.

The ASRS also reduced the total pension administration cost by almost one percent a year over the past seven years.

Within this cost-effective environment, the ASRS has delivered a service score among the top three of our peer universe.

The ASRS' service measure score of 90 out of 100 compares favorably with the peer average score of 80. The service score measures such services as turnaround times for member service requests, availability and choice of services, call center operations, member communications, and member satisfaction levels.

We have a long tradition at the ASRS of providing a valuable service to our members and retirees, and we endeavor to continue that work on your behalf well into the future.

I would like to thank you for your dedication to public service in Arizona, and I wish you a healthy and happy 2023.

Paul Matson,
ASRS Executive Director

Your Board Of Trustees

By Dave Cannella, Public Affairs

The Arizona State Retirement System (ASRS) is overseen by a nine-member board of trustees, who act as fiduciaries of the trust fund for the benefit of ASRS members. Board members are appointed by the Governor and confirmed by the Senate and serve one or more staggered three-year terms.

The full board generally meets six times per year in a public meeting at the ASRS Phoenix office. In addition to the six regular full board meetings, there are three board committees: Investment Committee; Operations, Audit & Legislative Committee; and Appeals Committee. Each

of these board committees also typically meets between four and six times per year.

Board and committee meetings are open to the public. They are also live-streamed on the ASRS YouTube channel. Schedules, agendas, and minutes of past meetings, as well as information on attending meetings, either in person or virtually, are all available online at **[AzASRS.gov/content/meet-asrs-board-trustees](https://www.azasrs.gov/content/meet-asrs-board-trustees)**.

Topics discussed by the board include investment management, actuarial analysis, operations management, financial reviews, customer service, and legislative updates, among others. |



Rene Guillen, Chair: Appointed in 2017 and represents political subdivisions. He is the deputy director of the Arizona League of Cities and Towns.

Michael Miller, Vice Chair: Appointed in 2017 and represents educators. He is a retired teacher from the Scottsdale Unified School district and currently serves as their Fine Arts Academic Coordinator.

Diane Landis represents the public: Appointed in 2021 and has a background in investments and financial planning.

James Mueller represents retirees: Appointed in 2021 and is a retired Valley attorney who spent much of his career in family law.

Mike Lofton represents the public: Appointed in 2017 and is owner and CEO of the Lofton Family of Companies, and

owner and partner of the private lending company Capital Fund, LLC.

Kevin McCarthy represents the public: Appointed in 2010 and is president of the Arizona Tax Research Association.

Jay Petkunas represents the public: Appointed in 2022 and is the CEO of The Wolff Company, a vertically-integrated real estate investment firm in Scottsdale, AZ.

Sarah Webber serves as the Member-at-Large on the board. Appointed in 2021 and is the Deputy Director of the state Department of Parks and Trails.

Ashley Retsinas represents state employees: Appointed in 2021 and is the Arizona State Comptroller within the Arizona Department of Administration.

Stay up-to-date on upcoming board meetings, meeting livestreams, and more at [AzASRS.gov/content/meet-asrs-board-trustees](https://www.azasrs.gov/content/meet-asrs-board-trustees)



Stay fit

Work out where you want, whether that's at a gym or fitness location or from your home.

- A free gym membership
- Access to our nationwide network of gyms and fitness locations.
- An annual personalized fitness plan
- Access to thousands of on-demand workout videos and live streaming fitness classes.



Stay focused

An online brain health program from AARP® Staying Sharp® with exclusive content for Renew Active and One Pass members.

- Brain health assessment
- Interactive brain health challenges
- Guide to Music and Brain Health, videos, fun games and more.



Stay connected

Connect with other health-minded members.

- Social activities at local health and wellness classes and events
- Step challenges with other members through the Fitbit® Community for Renew Active and One Pass — no Fitbit device is needed. Joining the community also provides access to Fitbit Premium™.

One Pass™

For UnitedHealthcare
non-Medicare
plan members

This program is an all-in-one fitness program designed to help support your fitness goals and lifestyle. One Pass is identical to the Renew Active program for Medicare-eligible members. You can get the benefit of thousands of fitness locations with one easy program at no extra cost.

To get started with One Pass:

- Visit rallyhealth.com/onepass/asrs
- Click “Get Started” and register on the Rally website or login in if you have visited Rally before
- Click on the One Pass tab
- Your **Member Code** will appear on the left-hand side of your dashboard
- Take your member code to the gym with you to access your free gym membership.

If you are unable to log in or if you have any questions, please call Customer Service at 877-504-6830. To find a fitness location near you, please visit rallyhealth.com/onepass/asrs.



Renew Active by UnitedHealthcare®

for UnitedHealthcare Group
Medicare Advantage
plan members

The gold standard in Medicare fitness programs for body and mind, and available with your Medicare Advantage plan at no additional cost.

To get started with Renew Active:

- Sign in to your plan website at retiree.uhc.com/ASRS
- Click “Health & Wellness” in the upper right corner
- Look for the Renew Active tile to locate your Confirmation Code
- Take your confirmation code to the gym to access your free gym membership.

If you are unable to log in to your plan website or if you have any questions, please call Customer Service at the number on the back of your member ID card. To find a fitness location near you, please visit UHCRenewActive.com.

Caregiving

By Nathaniel Brengle, Strategic Communications

Information for those wondering about providing care for a loved one.

It's common for people to find themselves in the position of deciding whether or not a family member - be that a spouse, sibling, or parent - needs a caregiver. Here are some things to be on the lookout for that could be red flags.

Dirtier-than-normal living conditions.

Be on the lookout for degrading living conditions. Is unopened mail stacking up? Are dirty dishes filling the sink? Is the refrigerator filled with spoiled food? All these things can be a symptom of a more significant problem. Unopened or unpaid bills can be caused by confusion or forgetfulness. Spoiled food in the fridge may mean they aren't able to get to the grocery store, or they're unaware they need to make a trip. The bottom line: assess their environment, whether it's changed substantially, and if it's cause for concern.

Hazards in the home.

Take an objective look at your loved one's abilities, and assess if there are potential fall hazards. Stairs, step-in bathtubs, or even general clutter can

all lead to falls and injuries to someone with diminishing mobility, balance, or eyesight. Consider adding items such as handrails in bathrooms, non-slip mats in showers, removing rugs that could be tripped over, or reducing clutter to remove unnecessary obstacles or reduce risks.

Mood or attitude changes.

It could be due to cognitive decline, or it could be signs of loneliness or depression. Pay attention to sudden changes in weight, pulling away from friends and family, or a loss of interest in hobbies. It may

caregivers could all help.

The most challenging part of deciding whether a loved one needs a caregiver is that it's rarely a straightforward yes or no answer. Luckily, there's enough variety of options that most situations can be catered to. Is there room in your home for them to move in? Do you live close enough that stopping by each day is feasible? You can also hire varying levels of in-home caregivers to help with things like groceries, cleaning, baths, or simply social interaction.

There are also varying levels of communities for people to move into. Some allow residents a high level of independence while offering

services like a cafeteria and shuttle rides, while others keep a closer watch and offer 24/7 nursing care.

So where to start? Do some research! One good starting place for additional information



mean figuring out ways to adjust to new physical limitations - such as books on tape instead of reading - but it could also be as simple as ensuring they're getting regular, positive social contact. Phone calls and regular visits from family or

and resources is **AARP.org**. There you can find various topics associated with caregiving: information on in-home care, long-term care, financial information, and more. |

► If you are caring for a loved one who is an ASRS member, or know someone who is, we've created a new page on our website called **Caregiver Resources** to provide information on a variety of relevant topics. Learn more at AzASRS.gov/content/caregivers.

Qualifying Life Events and Health Insurance Coverage

By Randi Gray, Benefits Administration

A qualifying life event, or QLE, is a specific life situation that affords a small window to enroll in or make changes to existing health insurance coverage for yourself or your dependents outside of our annual November open enrollment period.

Situations that are deemed qualifying life events include:

- Retirement
- Change in marital status
- Change in dependent status
- Change in primary residence
- Change in Medicare eligibility

To see the entire list of qualifying life events, visit **[AzASRS.gov/content/qualifying-life-events](https://www.azasrs.gov/content/qualifying-life-events)**. There you'll also see an explanation of each QLE so you can better determine if your specific situation qualifies.



As a reminder, the ASRS has the sole discretion to determine whether a QLE has occurred and whether your situation allows you to enroll or make changes to existing coverage. Voluntarily terminating your existing

group coverage or individual insurance plan is not a qualifying life event. Additional supporting documentation showing the reason for the qualifying life event is required.

If you wish to enroll or make changes to your coverage and believe your situation is a qualifying life event, make sure to submit your enrollment application quickly! **You must submit your enrollment application within 31 days of the date of your qualifying life event.** Coverage will be effective on the first day of the month after your enrollment application has been reviewed and accepted. |

Know Your Medicare Plan Benefits

By UnitedHealthcare

The ASRS offers two plans for Medicare-eligible retirees through UnitedHealthcare: a Group Medicare Advantage **HMO**, and a Group Medicare Advantage **PPO**.

The Group Medicare Advantage HMO plan does not have a deductible. Be sure to review your UnitedHealthcare Explanation of Benefits to verify your cost share. If you have questions, please call a UnitedHealthcare Customer Advocate by calling the number on the back of your Member ID card.

The Group Medicare Advantage PPO plan has a one-time \$150 deductible that only applies to your

first Inpatient Hospitalization or Inpatient Mental Health admittance annually. The deductible does not apply to any outpatient medical services. Be sure to review your UnitedHealthcare Explanation of Benefits to verify your cost share. If you have questions, please call a UnitedHealthcare Customer Advocate by calling the number on the back of your Member ID card.

Did you know...

Starting in 2023, ASRS Medicare members on the Group Medicare Advantage HMO and PPO plans will pay a maximum of \$35 per month

for insulin. In other words, you won't pay more than \$35 for a one-month supply of each insulin product covered by our plans, no matter what cost-sharing tier it's on. Please refer to your plan's Evidence of Coverage (EOC) and see: "Important Message About What You Pay for Insulin".

Additionally, the Shingles and Tetanus-Diphtheria-Whooping Cough vaccines will now have no co-pay.

For additional information, you can view the Evidence of Coverage - which is a complete listing of all the covered benefits on the plan - online at **retiree.uhc.com/asrs**. |

Reminder: New Federal & State Tax Forms for 2023

By Leah Wagner, Member Services Administrator

For anyone who may have missed our December Your Retirement digital newsletter, we wanted to remind you that there have been updates to both the federal and state tax forms for 2023.

On the federal side, the IRS has updated its W-4P federal tax withholdings form for the tax year 2023, which determines the amount of federal taxes withheld from annuity benefit payments. To accommodate those changes, the ASRS was required to make changes to our system. As a result, any previous elections on file were converted to the new form with the corresponding new deductions, per IRS requirements.

If you wish to not have federal tax withheld from your ASRS pension, you can amend your tax elections at any time by submitting a new W-4p form and writing “No withholding” in the space below Step 4(c), or by selecting the “Do not withhold any federal tax from my pension” option on the Taxes page in your secure myASRS account.

If you would like assistance filling out the new W-4P, or have

further questions regarding the form, we recommend speaking with a tax professional. You can also find additional information and access the new federal tax form at **IRS.gov**.

One additional note: the federal tax withholding tables were also updated on February 1st, as they are every year. You may have noticed a shift in your withholding amount in January and February. The federal tax withholding tables are updated annually and implemented on the February payment cycle.

Arizona also updated its A-4P state tax form for 2023, changing the available withholding percentages. Unlike the federal form updates, no changes will be made to your current state tax elections on file with the ASRS unless you decide to actively submit changes to us. Otherwise, your previously elected withholdings will continue for 2023. Secure accounts were updated in mid-January to reflect the new Arizona percentages. If you would like to update your withholding for future payments, you may do so with a new A-4p or through your secure myASRS account. To access the new Arizona state tax form, visit the Arizona Department of Revenue at **azdor.gov**.

To view and manage any tax elections with the ASRS, whether state or federal, you can log into your myASRS account at **AzASRS.gov**. |



By Nathaniel Brengle, Strategic Communications

Are you a newer ASRS retiree? Or perhaps you’ve moved recently? Or maybe it’s just been a long time since you’ve logged into your secure myASRS account? If any of these apply to you, it’s likely a good time to log into your account to make sure all your information on file with the ASRS is current.

Many active members use their work email address when initially registering for their myASRS account. Forgetting to change it from a work address (that you’ll no longer have access to in retirement) to a personal email address once retired is pretty commonplace.

Similarly, if you’ve moved or gotten a new phone number recently, you also might want to log into your myASRS account and double-check we have your current, correct information on file.

Why is any of this important? It could impact our ability to deliver important updates or notifications to you. It could also make it more difficult for you or your family to access your account in the future.

To log into your myASRS account, visit **AzASRS.gov** and click on the myASRS link in the top right corner. |





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Comments?

Your Retirement is published quarterly and mailed to all retired members of the Arizona State Retirement System. We welcome comments from our readers!

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